

CIA PROPOSAL TO INSTITUTE A FLEXIBLE BENEFITS PROGRAM

SUMMARY: CIA is considering major benefit changes in two stages. The first step is to allow staff to pay for benefits using pre-tax dollars. The second step is to allow staff to select the specific benefits they need from an available list of options.

CONCLUSION: These changes will result in CIA staff being provided significantly greater benefits and greater total compensation than other federal staff within and outside of the intelligence community. Action should be deferred by CIA until panel conclusions and recommendations are reached in the compensation and benefits area.

DETAILS: Phase two of the plan would involve selection of benefits from life insurance, health insurance with a number of coverage options, child care and elder care. Fund sources are the current government contribution, cash in of up to 40 hours of annual leave, a salary reduction of up to \$5,000.00, and direct employee payment. Payment would be in pre-tax dollars and would require that CIA withdraw from the government health insurance program.

RECOMMENDATION: Include panel conclusion in September 1 report to Congress.

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